Golden Arrow Selected Stocks Fund

Fund Manager Report - Feb 2010

Fund activity during the month

Golden Arrow Selected Stock Fund posted a return of 4.87% where as KSE-100 Index posted a return of 0.45%. The Fund outperformed its benchmark by 4.42%. This outperformance was based on strong sector selection as the fund's exposure to banks, telecommunications, Oil Exploration and Production and Textiles was raised. At the same time, positions in Power were significantly reduced due to below expectation results and neutral outlook on the sector in the near-term. The exposure to Banks and Telecommunication was increased on the back of brighter prospects of banking and telecommunication industry. Positions in the E&P and Textile sector were taken owing to attractive fundamentals.

The fund remained heavily invested in equities, whereas the cash proportion declined to 0.32% of net assets. The debt portion of the net assets remained relatively unchanged during the month.

Investment Objective

Disciplined and balanced fund management strategy focusing on fundamentally strong companies offering deep-value, coupled with few cherry-picked growth companies

Fund Information

Fund Type	Closed-end
Category	Equity
Date of Fund launch	May, 1983
Date of Manag. takeover	Sep, 2004
Assets under Management	1,080.529mn
NAV (26th Feb 10)	7.10
Benchmark	KSE100 Index
Dealing Days	Mon to Fri
Cut-off Timming	9:00 am to 5:00 pm
Pricing Mechanism	Forward Pricing
Management Fee	2%
Trustee	CDC
Auditor	A. F. Fergusons
Asset Manager Rating	AM3
Fund Ranking	MFR 3 Star (1 Year)

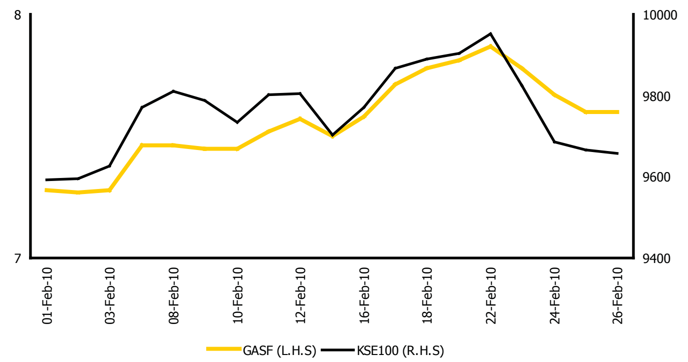
Portfolio Characteristics

Statistics	FY10E
Price to Earning Ratio	7.54x
Price to Book Value Ratio	1.38x
EPS Growth	10.96%
Dividend Yield	2.78%
No. of Long Term Positions	55
Beta	0.77

Investment Committee Members

Mr. Nadeem Naqvi	Mr. Muhammad Yaqoob
Mr. Amin Hussain	Mr. Ahmed Hassan
Mr. Imran Motiwala	Mr. Danish Owais

Fund Performance



	YTD	1 Month	3 Month	6 Month	1 Year
KSE 100	34.84%	0.45%	4.91%	11.32%	68.62%
GASF	29.80%	4.87%	7.25%	17.16%	58.48%

Debt Securities (% of NAV)	Ratings	Feb10
Al-Abbas Sugar Mills	A+	2.15%
Orix Leasing	AA(E)	0.83%
Paksitan Mobile Comunication	AA-	3.82%
JDW Sugar	A	2.18%
Kohat Cement	-	0.21%

Top Ten Equity Holdings

National Bank of Pakistan	10.22%	Habib Metropolitan Bank Limited	3.02%
Dawood Hercules	7.20%	Service Industries	3.02%
World Call Telecom	5.89%	Kohinoor Energy Limited	2.77%
Habib Bank Limited	4.74%	Sui Southern Gas Company Limited	2.70%
Pak Datacom Limited	4.37%	Artistic Denim Mills Limited	2.04%

Asset Allocation (% of NAV)	Jan10	Feb10
Equities	83.42%	89.04%
Fixed Income	10.70%	9.84%
Cash	5.88%	1.12%

Sector Allocation (% of NAV)	Jan10	Feb10
Commercial Banks	24.91%	27.42%
Chemicals	6.54%	11.37%
Fertilizer	8.71%	7.50%
Technology & Communication	4.19%	5.32%
Refinery	5.92%	5.26%

DISCLAIMER & CAUTION: All Investments in capital market instruments, including mutual funds, equities and fixed income instruments are subject to market risk which includes volatility of principal and returns as well as loss in value of the principal amount. Investors are urged to carefully assess the risk factors prior to investing in capital market instruments.